

A SCHEME
FOR THE
RELIEF OF THE FINANCIAL
EMBARRASMENTS
OF THE
CONFEDERATE STATES,
BASED UPON REAL ESTATE.

BY C. P. CULVER:

RICHMOND:
GEO. P. EVANS & CO., WHIG BUILDING, PRINTERS
1863,

[NOTE.—The following pages were prepared with the view of presenting the subject to Congress in a public address; but finding it impracticable of presenting it in that form, and being advised by his friends in Congress to get the subject before the Finance Committees at the earliest moment possible, the author has thought best to present it in this form. In doing so, however, he has been compelled to omit about one-third of the subject matter, which had reference to an historical review of the finances of England, France, and the United States, with a sketch of the character and progress of the present revolution and the financial condition of the United States and the Confederate States compared.

As the author has confined himself almost exclusively to the discussion of his own scheme, you will pardon any seeming ambiguity in its presentation. While he is not wedded to his own views as the only scheme that will save the country from its present financial embarrassments, still, they are such as present themselves more forcibly to his mind than any others yet seen. He is fully aware of the forcible objections that may be urged to a system of encumbering real estate with mortgages, but he trusts he has fully demonstrated in the sequel that the end attained by his scheme would justify the means used. Desperate diseases require desperate remedies. There is a desperate cancer upon the body politic, and you are to apply the knife and cut deeply, or the disease will destroy the whole body, and that speedily. There is no scheme of finance that can be devised under the present extreme exigencies, that will not meet with serious objections in its practical operation.

The author has not the time to review his manuscript, and therefore presents the subject as originally prepared]

ADDRESS.

Gentlemen of the Senate and House

Of Representatives of the Confederate States of America:

Upon you the whole country have turned a wishful and hopeful eye, hoping that you, in your wisdom, may do something to save the country from her threatened financial ruin and internal revolution. I have come to lay my modicum of experience and observation at your shrine; in other words, I have a scheme for the relief of our present financial difficulties, which I would respectfully present for the consideration of Congress. It is this:

1. That Congress shall, by law, force a loan of twenty-five per cent of the landed interest of the Confederate States, by requiring each land holder to give to the government his note, running thirty years without interest, in a sum equal to one-fourth the assessed valuation of his lands as assessed in 1860, to which shall be attached a mortgage on his entire real estate, and to which the government shall append a coupon bond for the payment of eight per cent interest on the face of said note, said interest to be paid semi-annually in specie, or cotton at its specie valuation at the time of payment.

2. That the real estate of the Confederacy shall be exempt from taxation for all purposes of the general government during the remaining portion of the thirty years after the close of the war, but during the continuation of the war, may be taxed as other property to meet the current expenses of the government.

3. That the said mortgages on the real estate and attached to the said notes and bonds, shall have priority over all other claims, liens or mortgages of whatever kind or character.

4. That when said *Real Estate Mortgage Bonds* are ready for the market, they shall be distributed to the respective States, and ninety days thereafter given the drawee of each note within which to redeem his note and mortgage by paying to the government fifty per cent premium in treasury notes.

5. That all notes and mortgages not redeemed as provided for in the foregoing section, shall, at the expiration of the ninety days, be put up at auction and sold to the highest bidder, or hypothecated in such other way and manner, as, at the discretion of the Secretary of the Treasury, may, in his judgment, seem best for the interest of the government.

6. That all bonds or evidence of debt owing to parties by the Confederate States drawing less than eight per cent interest, may, at the option of the holder, after the expiration of the aforementioned ninety days, be converted into these real estate mortgage bonds at their respective market valuation at the time of exchange.

7. That all existing distinctions between treasury notes of different issues and dates, be abolished.

8. That an increased duty be levied on all imports and exports during the continuance of the war, and that the same be collected in coin or approved bills of exchange on England or France, or in the coupons of the fifteen million loan and those of the real estate mortgage bonds.

9. That, in future, to meet the wants of the Confederate Government, the policy of issuing treasury notes be abandoned, as far as possible, and a tax sufficient for all requirements be adopted as the true policy to sustain the credit of the Confederacy.

10. That power of attorney be conferred upon the sheriff, or clerk of the inferior court, or recorder of each county of the several States of the Confederacy for the purpose of obtaining the assessed valuation of the lands of his respective county, the names of the landholders, and to sign the same to a note and mortgage in a sum equal to one-fourth the specie value of their real estate, as provided for in section first of this schedule.

11. That, as fast as the lands are reclaimed from the possession of the enemy, shall be assessed and bonded as provided for in the foregoing section.

You have had a multiplicity of schemes suggested by some of the most eminent financiers of our country, for the relief of our present financial embarrassments; most of these I have analyzed with the utmost care, and have here presented you with a scheme combining all the essential elements of virtue culled from all these various sources, besides presenting you with new and essential elements in keeping with our constitution, the exigencies of the times, the ability and ready acquiescence of the people, and the great and pressing wants of the government.

It is one of the axioms of political economy, that the sources of public revenue are two, and only two—*taxation and loans*. Loans are effected in two ways, viz: by the issuing of bonds on time, the interest payable at stated periods, and by the issue of

treasury notes as a currency and paid out to meet the financial requirements of the government.

To effect the first, that of borrowing on bonds, depends on the concurrence of second parties. Such bonds or evidences of debt require purchasers, and if these are not found, the money is not obtained. It is otherwise with the issue of treasury notes, and none of these embarrassments are experienced. These are entirely under the will and control of the government. To avoid fatal effects on the business and commercial interest of the country, the amount, however, must necessarily be small comparatively. It must not exceed the demands as a circulating medium; otherwise its redundancy destroys proportionally its value.

Since the organization of our government, and the existence of this war, we have availed ourselves of both these methods of borrowing. The first effort of the government was to borrow money on her bonds at time. The war assuming proportions more gigantic than were at first anticipated, and so vast have been its necessary expenditures, that her bonds could not be hypothecated fast enough to meet the wants of the government. This compelled the government to resort to the other form of credit, viz: the issue of its obligations in the form of treasury notes—and such has been the extent of these issues, that its redundancy has well nigh brought the country upon the verge of internal revolution. It is this vast and growing evil of an inflated currency, that Congress is called upon to remedy, and that speedily. You have not neglected in the past to resort to taxation, but your first levy was too small; and, unfortunately, its designs were rendered nugatory, by the States. Instead of allowing it to be collected in the currency, and thus reduce its circulation, they borrowed the money, and paid it over to the Confederate Treasury in behalf of their respective populations.

You have now in operation a very heavy tax law. It will absorb a very large amount of the currency, say \$100,000,000. Its good effects are visible only to those directly connected with its collection, but will never make any visible impression on the country. Still, this will by no means remedy the evil. You are called upon to repair the deficiency created by the failure of the government to effect the permanent loans of her bonds, which has compelled the issue of an undue and pernicious amount of treasury notes. This evil must be corrected at once, or the most dangerous consequences will follow. I repeat that it must be corrected, and that *speedily*; for the evil is feeding itself, and its blighting influences are daily increasing and multiplying in geometrical proportion. We are madly rushing to our own destruction, and if not checked, and that speedily, we must plunge into the maelstrom of political annihilation and

yankee subjugation. Reason has lost much of its influence, and men are taking council of their fears, as one coward in the ranks, when danger approaches, makes another, and still another—and we will be plunged into the vortex of ruin! The speculators in gold and blockade goods, and the extortioners in the necessities of life, are taking advantage of this universal distrust to increase their gains by belying the currency and the government. The remedy is within your grasp, and if not mutilated by unskillful and inexperienced hands, will solve the problem of our future destiny, for our finance is our life's blood both in maintaining and supporting our armies and the civil government, and if this blood has not sufficient of the carbon of public confidence, the whole body must perish.

As you can no longer depend upon the voluntary contributions of the capitalists of the country, (and there are comparatively few capitalists in the Confederate States,) to invest in government securities where its *basis* of security is perishable as is that of the Confederate government, you must resort to something more tangible and *permanent*.

You can no longer rely upon the permanency of cotton, either, as a basis of retiring any considerable amount of the government currency. The capitalists of the country may, and doubtless do, entertain confidence in a few millions of bonds based upon cotton as a collateral, but know full well that an amount sufficient to absorb any considerable amount of the public debt, is by no means tangible and permanent in these times of war and probable destruction of this species of property, as has been the case with much of the government cotton in those sections of the country that have been overrun by the enemy. You are to look to something more permanent—something that is not *perishable*.

As all personal property, as well as government securities based upon the mere confidence of the people, are more or less liable to perish amid the storms and dangers incident to a war of invasion, your government credit, in order to command the confidence of capital, must be based upon something more tangible than either of these. What should this be! I will answer—UPON THE REAL ESTATE OF THE CONFEDERACY This is the only indestructible, immovable, and imperishable species of property, as a collateral for the payment of debt, which will command the confidence and capital of the world.

The census of 1860 place the specie valuation of the real estate of the Confederacy, including that of the cities, at \$3,750,000,000, not including Kentucky and Missouri, the two-thirds of which is \$2,500,000,000. The fourth, or twenty-five per cent of this is \$625,000,000. I propose, now, that Congress shall issue bonds after the manner prescribed in section first of

my scheme, to this amount. Is it, then, not a reasonable conclusion to suppose these bonds, when put upon the market, would bring a premium of at least fifty per cent, under the present inflated condition and distrust of the currency? My own impression is, that they would bring several hundred per cent if put up to the highest bidder; for every man would be directly interested in the purchase of these bonds, to at least the amount of his own obligation. But we will suppose, for the sake of illustration, they brought only fifty per cent premium; this, then, would retire \$937,500,000 of the outstanding debt.

But you are to look a little farther into the future and to make some calculation for the probable continuance of the war a year or two longer. Should this be the case, it may even be found necessary to make the loan one half larger than that proposed. It is a well established fact, however, in the history of nations, that their net income per annum, is not greater than *five per cent* on their capital. The whole productive property of the Confederacy at the close of the war, on a specie basis, will be worth about five and a half billions of dollars, one half of which consists in real estate. Five per cent on this during the existence of the war, would yield a revenue of only two hundred and fifty millions of dollars. Our ordinary annual expenditures for some years subsequent to the close of the war, will be at least sixty millions of dollars; our sinking fund—depending on the amount of debt and the time it has to run under any other plan than the one I have proposed—will be from 25 to 45 millions, say 35 millions. Thus you would have 95 millions without interest, and if your interest account should reach one hundred and twenty-five millions—five per cent on two billions and a half of dollars—you will have arrived at the point of inability to pay, and repudiation would become a necessity. You cannot force a people to pay a debt due to their own citizens, where they are not bound by those laws which govern men in their private transactions.

We will now suppose the war to continue one year longer, and that our debt reaches \$1,500,000,000. There is already retired, in the form of bonds and other securities, near three hundred and fifty millions of dollars. Now, should you adopt my plan, there would only remain at the expiration of another year's war—on the supposition that the bonds proposed were all taken up at fifty per cent premium—about \$212,000,000 to be absorbed in some other way, say by a capitation tax, import and export duties. And if the present tax absorbs \$100,000,000 or upwards, per annum, the entire debt would be absorbed without resort to either a capitation tax or export and import duties.

The scheme which I present has, then, as you will have ob-

served, several very desirable features which present themselves forcibly to the judgment and confidence, both of capitalists and the donors of these real estate mortgage bonds, which no other plan yet presented, offers.

First, the basis of the security for the capital invested being permanent, capitalists would seek this channel of investment in preference to all others as a permanent one, coupled as it would be by a government bond bearing a larger rate of interest than is uniform in all the States of the Confederacy. Secondly, they would afford an opportunity to the donors of these real estate bonds to take up their own obligations, (thus confining the debt within the limits of the Confederate States,) and upon which they would receive the eight per cent interest for a period of thirty years, which, by compounding interest, will have more than thrbled itself in this time. To illustrate. Suppose John Smith gives his note to the government for five thousand dollars, being one fourth the specie value of his real estate. His note, with the mortgage and eight per cent bond attached, is put upon the market, and Smith offered ninety days within which to redeem his note and mortgage by paying fifty per cent premium. Smith being a banker, or a merchant, or a speculator, or a moneyed capitalist, has the requisite Confederate currency, pays the premium, takes up his note and mortgage, and thus unincumbers his lands. But the beauty of the transaction, so far as he individually and directly concerned, is, that he holds a government bond upon which he draws semi-annually four per cent interest in coin on the face of his note thereunto attached, which, by compounding the interest, will have net him upwards of fifteen thousand dollars in the thirty years, or upwards of eight thousand dollars more than he originally paid to redeem his note. In other words, Smith has made clear, upwards of eight thousand dollars, by giving his note to the government. This will be the case *pro rata* with all who may give their notes to the government—whether the sum be great or small.

Let us suppose, however, that Smith chooses not to pay the premium, and thus lift his note and the mortgage on his lands, but prefers, rather, to transfer the debt to his posterity; it is, at the expiration of ninety days, put up to the highest bidder, (and the beauty of it is, that all notes are upon a par in value, whether the drawee be a rich or a poor man,) and Smith's note passes into other hands. Smith has lost nothing directly, because he has paid out nothing, but chooses rather to transfer the debt to his posterity, or pay it himself, if living, at the expiration of the thirty years, for it is no larger then than when he first gave the obligation. He may well afford to do this, both as to its advantages to his government and to himself individu-

ally First, he assists his government to pay her obligations, which she would not otherwise be able to do, and thus performs a patriotic act in sustaining his government; and secondly, the increased value of his lands *within a new and independent government*, will enable him, or his posterity, or the holder of the lands, to cancel the debt without feeling it a burthen.

Let us again suppose, however, that only one half, or \$312,500,000 of these bonds, to be retired at the expiration of the ninety days, there would still remain \$312,500,000, to be put up to the highest bidder, or hypothecated in some other way, at the will and pleasure of the Secretary of the Treasury. If put up to the highest bidder, it is not unreasonable to suppose that they would bring one hundred per cent premium in Confederate currency. This, then, would retire \$1,443,750,000, including the outstanding bonds, to say nothing of the amount retired by the present tax, leaving only \$56,250,000 as a circulating medium, which is nearly one half less than the business wants of the country would require, thus increasing the value and demand for money, and diminishing proportionally, the price of the prime necessities of life, and that, too, without impairing the credit of either the General or State governments, which cannot be effected by any other scheme proposed. By my scheme, both the General and State governments are relieved of the debt, only so far as their outstanding bonds are concerned, and a large portion of these may be absorbed in these real estate mortgaged bonds, and the country is left in a healthy and prosperous condition, for there can no longer exist then an idea of bankruptcy and repudiation.

I come now to speak of the mode of raising a revenue with which to meet both the interest on her public debt, consisting of her already outstanding bonds and the eight per cent interest bonds attached to these mortgaged notes, and to carry on the civil government.

As it will no longer do to rely upon the voluntary patriotism of the people, as a whole, to step forward and lend the government a helping hand, only so far as they can make it directly to their advantage, you must resort to other means of accomplishing the end desired. It is, under the modern systems of education, the nature of man to be mercenary. Convince him by ocular demonstrations—and he will be convinced by no other—that he can be made the gainer, in a pecuniary point of view, by a certain operation, and he will risk his capital, and even his life, to obtain the desired end. Your appeals, therefore, to his patriotism, have fallen still born upon his ears. To the masses patriotism is but the symbol of an unknown Deity. I tell you the people must be *forced*, not coaxed to do their duty. If you

can *force* men into your armies, you can *force* them to disgorge of their wealth to meet the obligations of their government.

If this force loan be made, (and we will characterize it by the name of a loan,) its justice, its necessity and propriety, will commend themselves to all; for there is no one but that will admit that it is even better to give up one half of his wealth, and if needs be, the whole, to his government, than to lose not only his entire property, but his *liberty* as a freeman, and our independence as a nation. But to convince him of this necessity before he would act, would be an idle expenditure of time and labor. This adopted, and there will be no necessity of a higher rate of taxation on the landed interest of the Confederacy after the close of the war, to meet the necessities of retiring the outstanding Confederate debt. The lands, therefore, not being subject to taxation for the remaining period of thirty years after the close of the war.

As all species of property will necessarily have to be taxed heavily to meet the current expenses of the country under the continuation of the war, I have thought it just to the landed interest of the country, under the call made upon it in the retirement of so large an amount of the public debt, and also to the fact that the waste from the war on this species of property has and will be very great, that it should be exempt from farther taxation for the purposes of the General government for the remaining period of thirty years. "Farms and plantations have been decimated. Labor in the South has been violently divorced from the soil, and its productive powers consequently lessened. Besides these circumstances an almost general deterioration in the value of landed estates, and the general withdrawal of capital in skilled labor from agriculture, have depressed all the interests connected with it. These circumstances have not only checked improvement, but greatly impaired the sources of reproduction. Until the recuperative powers of our people are in some degree restored, until their energies are somewhat recalled from warlike operations to peaceful pursuits;" the landed interests of the country should be exempt from taxation. Besides, the burthens of this war should not be made to fall on the present generation in a disproportionate degree. We have now been engaged in a conflict of nearly three years duration, and with a prospect of a continuation for a year or two longer, "and it has pressed upon us with unexampled severity and hardship, for the salvation of that independence and those liberties which are the heritage as well of posterity as the present generation. In any fiscal arrangement that may be made, the distributive share in such a contest, will, and must be disproportionate, but when it is taken into the account the physical suffering and mental distress—the wear and tear of body and mind—the loss

of valuable life—the waste and ravage of a desolating war—no pecuniary estimate can balance the benefits and the losses between the present and the future. The practical deduction, therefore, from this view, is that posterity should pay a part of the price for the preservation of the public liberties with the sovereignty and independence of these Southern States; and that such a deferred payment of the principal of the debt, or a portion of it, as well not be felt as too great a pressure on the resources of the present generation, is due to justice and equality.”

To liquidate a debt of a thousand or fifteen hundred millions of dollars by semi-annual instalments, besides the annual payment of sixty millions, would be a more rapid progression of burthens than has marked the fiscal policy of any country in similar circumstances. I will, therefore, suggest the following mode of raising the necessary revenue for the wants of the country after the close of the war. Say:

2½ cents per pound on 4,000,000 bales of cotton,	\$50,000,000
1 “ “ “ 100,000 tierces of rice,	2,000,000
25 cents per bbl. on 3,000,000 bbls. of naval stores,	750,000
2 cents per lb. on 200,000 hhds. sugar,	4,800,000
5 cents per gallon on 200,000 bbls. molasses,	400,000
2 cents per lb. on 300,000 hhds. tobacco,	6,000,000
10 per cent on \$40,000,000 of lumber of all kinds,	4,000,000
25 “ “ \$200,000,000 imports,	50,000,000
Add to the above 1 per cent <i>ad valorem</i> on \$2,500-	
000,000 personal property,	25,000,000
\$5 poll tax on 3,500,000 negroes,	17,500,000
	<hr/>
Making a total of	\$160,450,000

With this sum the government may pay the 8 per cent interest on her real estate mortgage bonds, amounting to 50,000,000 per annum, also the interest on \$350,000,000 of bonds now out, amounting to about \$25,000,000 more, and yet have \$85,000,000 in her treasury. From this sum we will deduct \$60,000,000 as the necessary annual expenditure of the government, and we have \$25,000,000 as a sinking fund, with which we may, within thirty years, liquidate every dollar of our public debt, though it may amount to, at the close of the war, near two billions of dollars.

There is still another feature or two in this matter which you should not overlook in the provisions which you are called upon to make for the future of the government, and it is this: At the time these States separated from the Federal government, they were *jointly* bound in a public debt of near \$70,000,000. On the return of peace and the establishment of our separate na-

tionality, we will still have our part of that debt to pay, with the arrears of interest to date. This, again, will require a large amount of money to meet this obligation.

Again, is it reasonable to suppose that in the negotiation of a treaty of peace between the Confederate States and the United States, the Federal government will yield up its present possessions within the Confederate States without a valuable consideration? We have no equivalent exchange for New Orleans, the free navigation of the Mississippi river, its ports of entry and of trade; the forts at the mouths of our harbors and the free and unmolested egress and ingress to the same, and other portions of our territory now in their possession. These will have to be paid for—paid for, too, in a valuable consideration—either in money or its equivalent. The Confederate government will have the bill to foot, and you may as well make some calculations in advance to meet it.

An additional heavy drain upon the treasury will arise from the great number of pensions and private claims which will have to be paid. The fact, too, that we will have a navy to build and equip, lands to purchase, navy yards to build and supply with machinery; forts and magazines to erect and man with their implements of defence, all of which will require large sums of money and outlay of time to consummate.

I have thus far, in the discussion of the question, neglected to add one important feature in the item of interest on these real estate bonds. It is this: As these coupons are required to be paid in *specie* or in cotton, at the option of the holder, I would suggest that \$100,000,000 or more of these bonds be retained by the government and hypothecated for *specie*, either at home or in Europe, with which to meet the interest on these bonds for a year or two, or until, at least, the return of a healthy commerce which will enable the government to meet this and other liabilities from a *specie* tax on exports and imports. A duty of two and a half cents per pound on cotton would meet the obligation; or 25 per cent on the imports would meet, or more than meet the liability after the close of the war.

I have now given you the benefit, theoretically, of my scheme for the relief of the embarrassed condition of our finances, and as the subject before you, and upon which you are required to act, is one of vast and vital interest to the present and future of the country, it is to be hoped that you will give the subject that careful and prayerful consideration which the magnitude of the subject demands; and if I have presented anything worthy your consideration, look not to the source from whence it emanates, but simply ask yourselves whether, if the plan proposed be adopted, it will *relieve and save the country*? One of our most eminent statesmen has said that it would do both.

I have no faith in any legislation touching financial questions which is based alone upon the patriotism of the people.

The masses in times of threatened danger to their country and her honor, will even lay down their lives for it; but has history anywhere recorded the fact that a people ever gave up, voluntarily, their wealth for their country's good? I think not. The investment of capital is a thing seldom done without due deliberation. Capitalists first count the cost, and the probable certainty of a dividend. Not so when men offer their lives upon the altar of their country. This is a thing of the moment, an impulse of a nobler nature, not trained in the school of sordid mercenary gains.

Nor is it sufficient that you look to the States to pledge their credit for the redemption of the debt of the general government. This would not materially alter the nature of the debt. The debt would at last have to be paid by the property holders of the several States, and you would but do indirectly that which the General government may do directly, and that, too, without impairing the credit of either. Hence the simplest and easiest way, is the best way. It is therefore for you to judge whether I have pointed out that best way. I believe that I have, and if Congress will but adopt it, the redundant currency will melt away like the morning dew before the rising king of day; confidence will be restored, produce will seek its wonted level, and provisions of all kinds produced in the Confederate States will find their way to the markets, and the poor and the hungry will be fed and clothed. It is for the benefit of this latter class,—for it is they who have and are still fighting your battles, and upon whose strong arms and stout hearts we are to lean if our independence is to be won and our nationality maintained—you are called upon to legislate, and not for the mere benefit of banking corporations and other moneyed institutions. The mass of our people at the close of this war will be poor, and the burthens of taxation should not fall too heavily upon their shoulders, or otherwise the recuperative energies of our country will be paralyzed.

When the capitalists of the country shall have exhausted their cash capital in the purchase of these bonds, and the currency brought into demand, the producer will seek the markets for the sale of his products, and the men who have served in our armies, and the laboring classes whose means are not sufficient to absorb in securities for the sake of the interest, will be able to supply themselves abundantly with the necessities of life at nominal prices.

That my scheme may be free from the charge of "class legislation" by the superficial observer, I will repeat the fact, that by the one per cent *ad valorem* tax on the aggregate amount of *per-*

sonal property of all kinds, save the exceptions made in the table of enumerations, we obtain an annual revenue of \$25,000,000, which if multiplied by 30 gives us \$750,000,000. This, you will observe, is \$125,000,000 more than I propose to raise by a levy on the real estate of the Confederacy during the period of 30 years.

Begging your indulgence for a few moments longer, I will, in conclusion, give you a brief analysis of the workings of the scheme adopted by a recent convention of bankers held in the city of Augusta, Ga., and presented for the consideration of the country and Congress. The high financial source from which it emanates, entitles it to the highest consideration.

In the first place, I will state that it is purely a scheme for the aggrandizement of the banks and other moneyed monopolies; and in the second place, it will, if passed into a law, operate to the great disadvantage of the poor, by throwing the entire burthen of absorbing the public debt upon the shoulders of the small capitalists and laboring classes of the country.

First, then, this convention started out with the assumption that the people owed a debt of one thousand millions in currency, which they proposed should be funded in six per cent bonds, and that a tax of \$60,000,000 in coin or the coupons of these bonds be collected annually for a series of years to pay the interest on the bonds.

As the banks hold the great bulk of the Confederate currency, having purchased it at its reduced valuation for coin or bills of exchange, it is not strange that they should now desire to bring the currency up to a specie valuation that they may realize upon it by converting it into other securities at its normal valuation in coin. To illustrate, I will suppose the scheme in operation. The bankers, brokers, and dealers in blockade goods and other speculators who compose about the one-hundredth part of the population, having in their possession the larger bulk of the Confederate currency, convert it at once into these bonds. The ninety and nine of the population of the country are comparatively poor men, and though they may have several hundred or thousands of dollars in treasury notes, yet, cannot spare this capital from their business to invest in these bonds for the sake of the interest or the coupons with which to pay their taxes. Here is Mr. Jones, a merchant with a capital of \$10,000, and by a tax of $2\frac{1}{2}$ per cent on his gross receipts, provided he turns his capital over within the year at a profit of, we shall say, 25 per cent, making his gross receipts \$12,500 for the year. The Confederate tax on this sum would be \$312.50. In order to meet this tax Jones is required to purchase \$5,210 of these bonds, or nearly one-half of his capital is required to be absorbed in these bonds, thus diminishing his business capital, paralyzing

his energies, and diminishing the public or government revenues for the future.

But we will suppose that Jones does not invest in bonds, but trusts to his ability to raise the specie or the coupons of these bonds when the tax pay day arrives. It is very evident to every one, that, during the continuation of the war, the masses of the tax payers will not be able to procure the specie, and therefore Jones among others, must purchase the coupons in order to pay his \$312.50 taxes. But where can he find these coupons for sale without purchasing the bonds? In the hands of the banks and at the money exchangers. What is the market value of these coupons, now that the taxes are to be paid in *specie* or these coupons? Would their market value not be equal to that of specie? We will suppose this to be only ten to one, then Jones, in order to meet his taxes, is compelled to pay the broker \$3,125 in order to procure \$312.50 in coupons. The bank makes in this transaction *nine hundred per cent.* The small farmer, the merchant, the manufacturer, and the mechanic, requiring the investment of every dollar of their capital in order to the success of their business, cannot invest in these bonds, and should they desire to meet the demands of your tax bill, must place themselves at the mercy of the banks and be shaved to the tune of 900 per cent or more. Out of the \$60,000,000 to be raised annually, \$40,000,000 will have to be raised by men unable to invest in bonds; and out of whom the banks propose to make clear \$360,000,000 at least by the sale of the coupons of these bonds. In other words, the plan of the banks, as passed by their convention, is to pay a debt which is now worth one hundred million dollars in specie, and to receive in lieu of it one thousand million dollars in bonds payable, principal and interest, in specie; thus virtually increasing the debt of the people, and making a clear profit to the banks or bond holders of nine thousand million of dollars.

The premiums which the tax payers who would be unable to invest in these bonds, would have to pay in three years from the date of the passage of the measure, would liquidate the entire debt of one thousand million of dollars.

I apprehend I have said enough to convince you, gentlemen of the monstrous and unjust character of such a scheme. It is a scheme of oppression upon the poor, that would make the poor poorer and the rich richer. Let me therefore beg of you in the name and on behalf of the people, in the adoption of any scheme, that you look to the interest of the masses both for the present and the future, and not the aggrandizement of those who have amassed fortunes out of the misfortunes of the country during the existence of the war. Do this, and posterity will rise up and call you blessed. Do this, and you will yet live

to see your country at peace with herself and the world, and that proud bird which now lies crouching and cowering at the feet of despots, will again rise to her wonted lofty eyry and spread her wings over our beloved and blood-washed Confederacy, and in her unmoved contemplation of the blissful future, with her eye steadfastly fixed upon the star of our destiny in her onward and upward course, spread her wings in that sublime career which seeks no resting place until the primeval forests shall yield to the woodman's axe, and the earth, groaning under the abundance of the husbandman, shall bloom and blossom as the rose.

